

**Notice under Sections 204 and 205 of the
Securities and Futures Ordinance
Cap. 571 (Ordinance)**

It appears to the Securities and Futures Commission (**Commission**), for the reasons set out in the Statement of Reasons of even date, that the Commission should exercise the powers conferred by sections 204 and 205 of the Ordinance.

THE COMMISSION HEREBY GIVES NOTICE THAT:

Except with the prior written consent of the Commission, such consent to be granted by any two Executive Directors of the Commission:

1. Pursuant to section 204 of the Ordinance, Bloomyeats Limited (**Specified Corporation**) is prohibited from carrying on any business, whether directly or through agents, which constitutes the regulated activity for which it is licensed by the Commission;
2. Pursuant to section 205(1) of the Ordinance, the Specified Corporation is prohibited from:
 - (a) disposing of or dealing with any relevant property (as defined in section 205(2) of the Ordinance) in any manner; or
 - (b) assisting, counselling or procuring another person to dispose of or deal with any relevant property in any manner.
3. Pursuant to the provisions of section 217 of the Ordinance, an application may be made to the Securities and Futures Appeals Tribunal for a review of the Commission's decision to impose the prohibitions by this Notice. Such application must be made within twenty-one days after the day on which this Notice is served on the Specified Corporation. Further, pursuant to the provisions of section 208 of the Ordinance, the Specified Corporation or a person affected by the prohibitions may apply to the Commission for the prohibitions imposed by this Notice to be withdrawn, substituted or varied.

This Notice takes effect at the time of service upon the Specified Corporation.

Dated this 21st day of May 2025

For and on behalf of the
Securities and Futures Commission

Julia Leung
Chief Executive Officer

Statement of Reasons
Pursuant to Section 209(2) of the Securities and Futures Ordinance
(Cap. 571) (Ordinance)

1. Bloomyeas Limited (**Specified Corporation**) is a corporation licensed under the Ordinance to carry on Type 1 regulated activity. It is a participant of The Stock Exchange of Hong Kong Limited and a direct clearing participant of the Hong Kong Securities Clearing Company Limited. Its licence has been suspended under section 195(4) of the Ordinance with effect from 18 March 2025 due to its failure to submit its annual return as required by section 138(4) of the Ordinance.
2. It appears to the Securities and Futures Commission (**Commission**) that:
 - (a) the property of the Specified Corporation's clients might be dissipated, transferred or otherwise dealt with in a manner prejudicial to the interest of its clients;
 - (b) the Specified Corporation is not a fit and proper person to remain licensed or is not a fit and proper person to carry on any regulated activity for which it is licensed;
 - (c) the Specified Corporation has failed to comply with the requirements specified in section 180(2) of the Ordinance or, in purported compliance with such requirements, has furnished the Commission with information which was at the time when it was furnished false or misleading in a material particular; and
 - (d) the imposition of the prohibitions set out in the Notice issued by the Commission of even date under sections 204 and 205 of the Ordinance is desirable in the interest of the investing public or in the public interest.
3. The Commission has reached this view on the basis of the following matters:
 - (a) suspected window dressing activities by the Specified Corporation and its management;
 - (b) concerns on the fitness and properness of the Specified Corporation and its management and substantial shareholder;
 - (c) suspected dissipation of client assets by the Specified Corporation's management; and
 - (d) other concerns regarding the Specified Corporation's ability to continue to operate competently.

Suspected window dressing activities by the Specified Corporation and its management

4. Under section 6(1) of the Securities and Futures (Financial Resources) Rules (**FRR**), a licensed corporation shall at all times maintain liquid capital which is not less than its required liquid capital. The Specified Corporation submitted its financial return for December 2024 and reported that its cash balance and liquid capital as of 31 December 2024 were HK\$3.84 million and HK\$3.97 million respectively.
5. Information obtained by the Commission shows that the Specified Corporation deposited a cheque of HK\$3.8 million into its house bank account on 30 December 2024. However, the cheque was returned on 31 December 2024. The Specified Corporation then deposited another cheque of HK\$3.8 million into its house bank account on the same day, which was also returned on 2 January 2025.
6. By excluding the non-cashable cheque amount of HK\$3.8 million, the liquid capital of the Specified Corporation would decrease to HK\$166,000. Hence, as of 31 December 2024, the Specified Corporation's liquid capital would have fallen significantly short of the required liquid capital amount of HK\$3 million, in breach of section 6(1) of the FRR.
7. Similar window dressing activities have been evident since around late March 2024. The recurring instances of cheques being presented and then returned indicate window dressing activities for the purpose of concealing the Specified Corporation's failure to maintain the required liquid capital under the FRR.

Concerns on the fitness and properness of the Specified Corporation and its management and substantial shareholder

8. The information suggests that the Specified Corporation and its management may have arranged with various parties (including a substantial shareholder of the Specified Corporation) to issue cheques to the Specified Corporation, which were all subsequently returned, with the aim of artificially inflating its bank balances and liquid capital.
9. During the relevant period, the Specified Corporation's financial returns were submitted on behalf of the Specified Corporation by its director (**Director A**) and its then responsible officer (**RO**)(**Officer B**). Officer B is currently the Specified Corporation's Manager-In-Charge (**MIC**) for the functions of Finance and Accounting, Risk Management, and Anti-money Laundering and Counter-Terrorist Financing. The Commission has reason to believe that the Specified Corporation and its management (including Director A and Officer B) knew that or were reckless as to whether the financial returns contained false or misleading information, and intended to mislead the Commission into believing that the Specified Corporation had complied with the liquid capital requirement under the FRR. This raises

serious concerns on the integrity and reliability of the management and substantial shareholder of the Specified Corporation, and the fitness and properness of the Specified Corporation to carry on its regulated activity or remain licensed with the Commission.

Suspected dissipation of client assets by the Specified Corporation's management

10. The Commission identified that on 13 March 2025, funds were withdrawn from one of the client segregated bank accounts of the Specified Corporation, including HK\$490,000 to Director A and HK\$45,000 to Officer B. It appears that client assets may have been dissipated, transferred or otherwise dealt with in a manner prejudicial to the interest of the Specified Corporation's clients.

Other concerns regarding the Specified Corporation's ability to continue to operate competently

11. The Specified Corporation has had no RO since 10 November 2024 to manage its affairs or supervise its day-to-day business operations. Further, except for Officer B, all MICs for other core functions have left the Specified Corporation. Officer B is not currently licensed by the Commission. As of 25 April 2025, the Specified Corporation has not submitted any application for the approval of RO or any notification of the appointment of MIC. Additionally, the Specified Corporation has had no licensed representative since 25 April 2025.
12. It has also come to the Commission's attention that all authorised signatories of the Specified Corporation's bank and CCASS accounts have left the Specified Corporation, apart from Officer B and another unlicensed person (who has access to some of the bank accounts).
13. Also, the Specified Corporation has failed to submit the following documents as required under the Ordinance or its subsidiary legislation: (a) its monthly financial returns for January to April 2025 and its quarterly financial return for March 2025, in breach of section 56(1) and (2) of the FRR; (b) its annual submission documents, including the audited financial statements, compliance report and business and risk management questionnaires, for its financial year ended 30 September 2024, in contravention of section 156(1) of the Ordinance; and (c) its annual return for the reporting period from 17 November 2023 to 16 November 2024, in breach of section 138(4) of the Ordinance. The failure to comply with the requirement in (c) resulted in the Specified Corporation's licence being suspended with effect from 18 March 2025. Despite the continuous follow-up by the Commission, all the above documents remain outstanding as of 25 April 2025.
14. The Commission believes that the Specified Corporation currently has no management who are fit and proper to actively oversee its affairs, manage

its daily operations or deal with its client assets. This raises serious concerns on whether the Specified Corporation can ensure continued compliance with all applicable laws, rules and regulatory requirements, including the requirement to safeguard client assets.

Commission's Conclusions

15. It appears to the Commission that the property of the Specified Corporation's clients might be dissipated, transferred or otherwise dealt with in a manner prejudicial to the interest of its clients.
16. The Commission considers that the above matters call into serious question the integrity and reliability of the Specified Corporation's management and substantial shareholder. The Commission has grave concerns on the Specified Corporation's ability to carry on the regulated activity (including the safekeeping and handling of client assets) competently, honestly and fairly, and therefore its fitness and properness to remain licensed.
17. Further, the Commission believes that the Specified Corporation has failed to comply with the requirements specified in section 180(2) of the Ordinance (which include the liquid capital requirement under the FRR) or, in purported compliance with such requirements, has furnished the Commission with information which was at the time when it was furnished false or misleading in a material particular.
18. In the circumstances, the Commission considers it desirable in the interest of the clients of the Specified Corporation, and in the wider interest of the investing public or in the public interest, to impose on the Specified Corporation the prohibitions stipulated in the Notice issued by the Commission of even date under sections 204 and 205 of the Ordinance.

Dated this 21st day of May 2025

For and on behalf of the
Securities and Futures Commission

Julia Leung
Chief Executive Officer